

**Talking Points for Farm Bill Forum
Kona, HI**

KLA STATEMENT OF OPERATING PRINCIPLES

WHEREAS, the Kansas Livestock Association believes the livestock industry is best served by the process of free enterprise and free trade, and

WHEREAS, even with its imperfections, free trade is relatively more equitable than regulated and subsidized markets which retard innovation and distort production and market signals, and

WHEREAS, regulated and subsidized markets disadvantage some producers in favor of others.

THEREFORE, BE IT RESOLVED, the Kansas Livestock Association reaffirms its opposition to the imposition of political solutions to the livestock industry's economic problems or attempts to narrow the business options or limit the individual freedom of livestock producers to innovate in the management and marketing of their production unfettered by additional government regulations.

MARKETING

THEREFORE, BE IT RESOLVED, the Kansas Livestock Association supports changes to the current marketing system that improve the value discovery process.

BE IT FURTHER RESOLVED, the Kansas Livestock Association supports a marketing system free from government regulations.

BE IT FURTHER RESOLVED, the Kansas Livestock Association suggests to its members they consider the negative effects on non-negotiated sales and the benefits of selling on a negotiated carcass merit basis, but regardless of how Kansas Livestock Association members choose to market their cattle, the Kansas Livestock Association shall continue to guard its members' freedom of choice to conduct their own business and utilize their own marketing program as they see fit.

- The Kansas Livestock Association opposes the inclusion of a so-called "Competition Title" in the 2007 Farm Bill.
- Measures typically associated with the Competition Title include initiatives that violate our Operating Principles, including:
 - Restrictions on the ownership of livestock, commonly referred to as the Johnson Amendment during the 2002 Farm Bill debate.
 - Legislation that restricts the opportunity to contract livestock
 - Mandatory country-of-origin labeling
- KLA members oppose these types of legislation because they would add costs to the system, provide little or no benefit to cattle producers and reduce our ability to compete in the global marketplace.
- KLA supports the Environmental Quality Incentives Program and the Grassland Reserve Program. EQIP and GRP represent common-sense approaches to conservation efforts, balancing the needs of agriculture producers and environmental quality goals.

Florida in the event that something negatively impacts our current foreign supply.

A multi-species facility could also support the current ARS area-wide fruit fly suppression program that has proven to be very beneficial to Hawaii growers.

HDOA priorities

Renewable Energy – Conversion of agricultural products, by-products, or waste into a renewable or alternative energy form (ethanol, biodiesel, hydrogen).

Infrastructure – In addition to the Biorefinery Development Grant program, support the development of grants and incentives to build ag-based renewable energy plants.

Cellulosic and fermentation – Provide research and development funds and incentives to improve technology.

Open loop/closed loop – Increase the incentive credit offered for open loop systems to match closed loop incentive credits, so that producers are encouraged to find value-added uses of by-products to help meet the nation's alternative energy goals while technology develops. Extend sunset date.

Invasive Species

SPS Harmonization – Harmonize sanitary and phytosanitary regulations for consistency with international standards, guidelines and recommendations to overcome impediments to market access.

Border protection – Give higher priority to inspection of baggage, cargo and passengers at ports and borders to stop the entry of invasive species, diseases, and other harmful organisms.

Cooperative Agriculture Pest Surveys (CAPS) – Increase funding authorization for CAPS. FY 2005 funding levels limited allocations to half of those who applied, with one-third of the total funding requested. In addition to Hawaii, Guam and the Commonwealth of the Northern Mariana Islands (CNMI), American Samoa may again participate in future CAPS funding opportunities, which will result in an even higher level of competitiveness.

Multi-Species Fruit Fly Rearing Facility – Ensure a *domestic* supply of sterile fruit flies to support current preventative sterile release programs by building a USDA Multi-Species Fruit Fly Facility in Hawaii. Such a facility could also support the current ARS area-wide fruit fly suppression program that has proven to be very beneficial to Hawaii growers.

Emergency Response and Mitigation

Agricultural Emergency Response Funding – Provide states with crucial CCC funds to recover from an agricultural emergency response in full.

Risk insurance products – Ensure that all agricultural producers have access to risk insurance products and policies for protection within the inherently high-risk agricultural industry.

Specialty crops – "Fruits and vegetables, tree nuts, dried fruits, and nursery crops including floriculture."

Block Grant Funding – Continue block grants for states to enhance the competitiveness of specialty crops, and to provide assistance to remove, resolve or mitigate sanitary and phytosanitary barriers to trade for specialty crops.

Country-of-Origin Labeling (COOL) – Support mandatory country of origin labeling. Note: Record-keeping requirements should not be over burdensome to producers and should consider record keeping systems already in place for food safety, food security and other programs.

Conservation

The Farm and Ranch Land Protection Program (FRPP) –

Continue to provide necessary matching funds to help purchase development rights to keep productive farm and ranchland in agricultural uses (USDA provides up to 50% of the fair market easement value of the conservation easement).

NRCS Watershed Projects – Continue appropriations for the successful Watershed Protection and Flood Prevention Act, which authorizes NRCS to work with States and local agencies towards improvement for soil conservation and for other purposes including flood prevention; conservation, development, utilization and disposal of water; and conservation and proper utilization of land

through three programs: Watershed Surveys and Planning, Watershed Protection and Flood Prevention Operations, and Watershed Rehabilitation.

NRCS Technical Assistance – Provide for important conservation planning assistance programs for producers outside of NRCS conservation programs in addition to those who are involved in the Farm Bill programs.

Conservation Programs – Support NRCS conservation programs such as those listed below. Note: AGI (adjusted gross income) should be waived or modified to encourage larger landowners who can have a significant impact participating in these programs.

Conservation Reserve Enhancement Program (CREP), a voluntary land retirement program where partnerships allow farmers to receive annual rental payments and cost-share assistance to establish long-term (10-15 years) resource-conserving covers on eligible land;

Environmental Quality Incentives Program (EQIP), a voluntary program for farmers and ranchers facing threats to natural resources on their land funded by CCC;

Conservation Security Program (CSP), a voluntary program identifying and awarding farmers and ranchers who meet the highest standards of conservation.

UH / CTAHR priorities

Federal formula funding. CTAHR receives about \$3.3 million federal formula funds last year. These include Hatch fund for Agricultural Experiment Station, McIntire-Stennis fund for forestry research, and Animal Health and Disease fund, and Smith-Lever fund for extension. USDA proposed to phase out all research formula funds in two years and moves the money into National Research Initiative. Our Hatch-funded research solves problems on minor crops found in Hawaii's unique tropical environment. Our need do not easily fit into competitive programs.

We would be honored to answer any questions or concerns, please
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HFSA BOD

HTFC BOD